Province of
British Columbia

Ministry of
Consumer and
Corporate Affairs

Consumer Affairs Program
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April 15, 1985

The Honourable James J. Hewitt
Minister of Consumer and Corporate Affairs
Parliament Buildings
Victoria, B.C.
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Honourable Minister:

I have the honour to submit for your consideration the Trade Practice Act Annual Report for the calendar year ending December 31, 1984.

The Report is delivered in accordance with the reporting provisions of Section 34 of the Trade Practice Act.

Respectfully submitted

M. Hanson.

Michael Hanson
Director of Trade Practices

Attachments

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VICTORIA, B.C.

Trade Practice Act - Annual Report

Introduction

During 1984, there were five Assurances of Voluntary Compliance, three Substitute Actions, and six Prosecutions under the Trade Practice Act. In addition, three cases were prosecuted under the Criminal Code and a further ten enforcement actions were carried into 1985. Details of completed enforcement activities are attached.

One particularly important court decision confirmed that the Provincial Court has jurisdiction over matters relating to the Trade Practice Act. An earlier decision had questioned the authority of the Provincial Court system to hear these cases.

Another highlight was the circulation of guidelines to the business community with regard to the use of automatic telephone dialling devices in the solicitation of consumer goods and services. Partially as a result of Ministry involvement in this issue, the Canadian Radio and Television Commission passed regulations controlling the use of these devices.

ENFORCEMENT PROCEEDINGS COMPLETED IN 1984

No.	ENFORCEMENT ACTION	SUBJECT	PARTICULARS OF INVESTIGATION	COMPLETED
1.	Substitute Action	CANSHAW ENTERPRISES LTD.dba VERNDALE AUTO SALES, VERN DALE GEISLER, SHAWN GEISLER, BROADWAY JAN SERVICES LTD. dba BROADWAY JAN "THE DATSUN MAN" and JAN IETVAD	Purchaser believed vehicle had been diagnostically checked. It broke down immediately after purchase with no oil pressure and oil warning light was missing. Supplier claimed to then do $1,500 repair for which purchaser paid $1,000. Most of these repairs had not been done.	On February 4, 1984, Canshaw Enterprises Ltd., Verndale Auto Sales, Vern Dale Geisler and Shawn Geisler offered $1,250 settlement before trial. Offer was accepted. Judgment awarded against remaining defendants in the sum of $2,035 with $4,000 costs.
2.	Substitute Action	name withheld	Alleged that the supplier misrepresented a franchise, particularly the profits to be realized and the assistance provided.	Action started by the consumer was joined by the Director in 1983, but withdrawn in 1984 due to company failures and little likelihood of redress.
3.	Prosecution	CANSHAW ENTERPRISES LTD. dba VERNDALE AUTO SALES	Supplier asked an inflated price for a Mustang 350 GT misrepresenting this as a Mustang Shelby.	Charges against 2 of the 3 principals were dismissed on April 26, 1984. However, Canshaw Enterprises and Vern Dale Geisler were found guilty and on June 25, 1984, Vern Geisler was fined $250. Canshaw Enterprises was fined $2,000.
4.	Prosecution	name withheld	These suppliers sold vehicles rebuilt from ICBC salvage without disclosing this to purchasers.	On September 2, 1982, the Provincial Court Judge ruled that his court had no jurisdiction to hear charges under the Trade Practice Act. This decision was appealed and on May 30, 1983, the Honourable Mr. Justice Dohm ruled that the Provincial Court does have the jurisdiction to hear and determine charges under the Trade Practice Act and Motor Dealer Act. Charges were then not proceeded with.

ENFORCEMENT PROCEEDINGS COMPLETED IN 1984

No.	ENFORCEMENT ACTION	SUBJECT	PARTICULARS OF INVESTIGATION	COMPLETED
5.	Assurance of Voluntary Compliance	DICK IRWIN CHEVROLET OLDSMOBILE LTD.	Supplier's television advertisements showed a monthly price without the total price and offered attractive downpayments where the average consumer could not ordinarily qualify.	On May 22, 1984, the supplier undertook to comply generally with the Trade Practice Act to include the total price of the transaction in advertisements and not to advertise terms unless a reasonable percentage of consumers qualify.
6.	Assurance of Voluntary Compliance	FAMILIAR TRANSMISSION LTD. BANYON HOLDINGS LTD. and ALL TRANS AUTOMATIC LTD.	This supplier advertised a low cost transmission check but failed to disclose that $85 would be charged to reassemble the transmission, unless expensive transmission repairs or replacement was carried out.	On May 14, 1984, this supplier undertook to comply generally with the Trade Practice Act to ensure that in any advertisement or representation, disclosure would be made if the price does not include reassembly of a consumer's transmission.
7.	Substitute Defence	SIMPSONS-SEARS LIMITED	Supplier misrepresented the quality of asphalt shingles used in a roof repair.	In a small claims court action initiated by the consumer, the Judge reduced the amount of the supplier's invoice claiming their advertisement constituted a breach of the Trade Practice Act. Following substitution, the supplier's appeal against this decision was dismissed on August 24, 1984. The original roofing bill was reduced from $1,654.49 to $754.49. The consumers also received $400 for damages.

ENFORCEMENT PROCEEDINGS COMPLETED IN 1984

No.	ENFORCEMENT ACTION	SUBJECT	PARTICULARS OF INVESTIGATION	COMPLETED
8.	Prosecution	GREAT WEST FOODS (VERNON) LTD.	Franchised supplier misrepresented the true cost of bulk foods and required a deposit in excess of $100.	On September 13, 1984, the supplier pleaded guilty to 4 counts and was fined $1,500 on each count. Restitution was also ordered on 2 of these counts to a total value of $1,842.93. The remaining counts were stayed.
9.	Assurance of Voluntary Compliance	SULLIVAN PONTIAC BUICK LTD.	In order to obtain the advertised rate of 10.9 percent financing, the consumer was obliged to pay an additional $200.	On December 20, 1984, an undertaking by the supplier promised to ensure there are no additional charges which would have the effect of increasing an advertised interest rate and to return $200 to the consumer.
10.	Prosecution	JIM PATTISON INDUSTRIES LTD. dba JIM PATTISON TOYOTA	Pick-up truck advertised as 3/4 ton was in fact half ton and replacement value, represented to be over $16,000., was nearer $6,200.	On February 7, 1984, the supplier pleaded guilty to 1 count and was fined $1,500. A 2nd count was stayed.
11.	Assurance of Voluntary Compliance	PEOPLES JEWELLERS LIMITED	Consumer relied on a guarantee given when she purchased a diamond ring that the full retail price could be applied to a future purchase of a more expensive ring, providing the original ring was in good condition. The supplier failed to disclose a policy that required the second ring cost at least $100 more.	On November 22, 1984, the supplier undertook to generally comply with the Trade Practice Act and to ensure that any advertisement or other representation discloses all material facts and conditions.

ENFORCEMENT PROCEEDINGS COMPLETED IN 1984

No.	ENFORCEMENT ACTION	SUBJECT	PARTICULARS OF INVESTIGATION	COMPLETED
12.	Assurance of Voluntary Compliance	SOUTHSIDE NISSAN LTD.	A consumer purchased a 1978 Ford Mustang from the supplier, subject to a satisfactory report by B.C.A.A. Only one page of this report, which had been paid for by the consumer, was supplied and serious defects identified in the missing pages were not therefore disclosed.	On September 10, 1984, the supplier undertook to generally comply with the Trade Practice Act, and to institute procedures to ensure that practices similar to that described are not repeated. The contract with the consumer was rescinded.
13.	Prosecution	name withheld	Supplier offered chimney cleaning service, and in many cases claimed that fireplaces and chimneys were dangerous and in need of repair.	On December 20, 1984, at completion of the trial, charges were dismissed. Civil proceedings continue.